

Internet Auction Scams:

Keep your money safe in cyberspace

The number of people purchasing items over the Internet continues to grow each day. In general, Internet auctions are a relatively safe and convenient means of purchasing goods; however, there are inherent risks. In fact, Internet purchases are the largest source of complaints filed with the Indiana Attorney General's Office.

TIPS TO ENSURE YOUR ONLINE TRANSACTION GOES SMOOTHLY

- **Use Common Sense.** Luxury goods account for a large portion of online auctions. Be aware that some items may be counterfeit. If the deal sounds too good to be true, it probably is.
- **Read Feedback.** Most auction sites have a forum for rating sellers. Read this input before making a purchase.
- **Use Insurance.** Postal insurance is approximately \$1 for every \$100 of insurance you choose to purchase. This is a small price to pay in comparison to losing your entire shipment.
- **Watch For The Phrases "As Is" Or "Information Only."** Read the auction listing closely. Some sellers use the language "as is" to protect themselves. "As is" protects a seller against implied warranties, but not explicit warranties made to the buyer. If the item's description says it is a brand-name item with no qualifying language, then the seller cannot sell counterfeit items and protect himself by using the language "as is" or claim ignorance. Similarly, be aware that some sellers offer electronics for sale and bury the phrase "information only" in the auction listing. Consumers who purchase these items are referred to an illegal matrix site which operates much like a pyramid scheme and requires consumers to encourage others to join before receiving the item. If you find you have inadvertently purchased a misrepresented item under either of these conditions, the seller should provide a refund.
- **Be Extra Careful Regarding Payment Methods.** Be certain the site is secure. Be suspicious if the seller states you can only pay by a money transfer service, such as Western Union, as it is difficult to track someone down without a paper trail. Always request a return receipt. Consider using an online payment service, such as PayPal, or your credit card, which may offer additional protections.
- **Don't Spend More Than You Are Willing to Lose.** If things go wrong, it is extremely difficult to get your money back – at best, it is expensive and time-consuming.
- **Location, Location, Location.** Ideally, the seller should list a location. If you are buying a luxury item, beware of addresses located outside of the U.S., because if a non-U.S. seller fails to deliver the merchandise, it will be extremely difficult to obtain a refund.

RESOURCES

The Consumer Protection Division of the Indiana Attorney General's Office works to safeguard the rights of Indiana citizens every day. If you have questions or complaints regarding Internet auction scams or other consumer issues, contact the Attorney General's Consumer Protection Division using the address and phone number listed below, or visit www.IndianaConsumer.com for more information.

